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Market Action

- The Dow's streak of closing at consecutive highs ended at 13 but shares still ended the week at further record levels. Markets added more than 1% on Wednesday following the President's address to the nation as enthusiasm for prospective fiscal boosts and tax reform continue to build.

- Janet Yellen affirmed a data-dependent path for interest rates in a speech this week but with economic data continuing to look strong markets are strongly betting that the Fed will increase rates later this month. The market implied probability has risen from about 25% to 75% in just a couple of weeks.

- Inflation data in both the Eurozone and Japan provided reasons for optimism. Japanese prices rose for the first time in a year, while the Eurozone is close to its 2% target, making some analysts wonder about the future path of monetary policy.

- China's National People's Congress is set to meet this weekend. The rubber stamp meeting is set to affirm the government's intentions for a range of issues including a lower target GDP growth rate.

- Venezuela has roughly \$10.5 billion in reserves left while needing to make payments of over \$7 billion later this year. The thin buffer compounds an ongoing humanitarian disaster stemming from the economy's mismanagement.

- Saudi Arabia is targeting oil prices in the \$60 range, believing it to be the sweet spot where new investments can be made to enhance profitability without triggering a rush of supply onto the market.

<u>Equities</u>	Current	Weekly	Monthly	YTD
<u>U.S.</u>				
Dow Jones	21,005.71	0.88%	5.60%	6.29%
S&P 500	2,383.12	0.67%	4.54%	6.44%
Nasdaq	5,870.75	0.44%	4.04%	9.06%
<u>Europe</u>				
FTSE	7,374.26	1.80%	3.75%	3.24%
DAX	12,027.36	1.89%	3.16%	4.76%
<u>Asia</u>				
Nikkei	19,469.17	0.96%	1.68%	1.86%
Shanghai	3,218.31	-1.08%	1.87%	3.69%
<u>Currencies</u>				
EUR/\$	1.062	0.56%	-1.37%	1.00%
\$/Yen	114.040	1.71%	0.70%	-2.50%
UK/\$	1.229	-1.37%	-2.91%	-0.40%
<u>Bonds</u>				
10 Year	2.48	0.166	0.008	0.034
Moodys AA	4.04	0.120	-0.030	0.010
<u>Commodities</u>				
WTI	\$53.33	-1.22%	-1.02%	-0.73%
Brent	\$55.90	-0.16%	-1.58%	-1.62%
Gold	\$1,226.50	-2.53%	1.51%	6.25%

<u>Returns</u>			
Sector	1 Week	1 Month	YTD
Telecommunications	-1.13%	0.00%	0.00%
Materials	0.29%	0.55%	5.77%
Energy	1.44%	-1.20%	-5.50%
Consumer Staples	-0.35%	5.44%	6.37%
Consumer Discretionary	0.03%	2.65%	6.76%
Financials	2.02%	6.79%	6.96%
Healthcare	1.36%	6.73%	9.80%
Industrials	0.54%	4.31%	5.59%
Technology	0.50%	5.11%	10.49%
Utilities	-0.25%	5.92%	5.35%

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Image of the Week: Investment Grade Spreads Have Rarely Been Tighter

